



# **PROGRAM MONITORING**



# Why Monitor?

## What's in it for you?

- ❖ **Helps project to accomplish its goals**
- ❖ **Helps project identify potential for greater effectiveness (improve management & operations)**
- ❖ **Helps project make more efficient and appropriate use of funding**
- ❖ **Increases chances of future funding through well-managed, results-effective funded programs**
- ❖ **Provides important opportunity to build relationship with funder**



# Why Monitor?

## What's in it for the Funder?

- ❖ **Funder is not successful unless grantee is successful**
- ❖ **Future funding levels depend on efficient & effective use of current funding available**
- ❖ **Helps to identify fraud, waste and abuse**
- ❖ **Effective management control technique**
- ❖ **Government accountability office (GAO) standard**
- ❖ **HUD policy compliance**



# Monitoring Goals

## **Overriding goals:**

- ❖ **Insure funding achieves maximum potential to address need**
- ❖ **Develop good working relationships with grantees**
- ❖ **Assist grantees to carry out responsibilities defined by grant award.**
- ❖ **Determine grant compliance**
- ❖ **Prevent & identify performance deficiencies**
- ❖ **Design corrective actions**
  - ✓ **Handled through discussion, negotiation or technical assistance in a manner that maximizes local discretion**



# Monitoring as a Tool

## Principal means for:

- ❖ **Assisting program participants to**
  - ✓ **Improve performance**
  - ✓ **Develop or increase capacity**
  - ✓ **Improve management & technical skills**
- ❖ **Insuring programs & technical areas carried out**
  - ✓ **Efficiently**
  - ✓ **Effectively**
  - ✓ **In compliance with laws & regulations**



# **Monitoring as a Tool continued**

- ❖ **Staying on top of how well programs and technical areas are working in communities**
- ❖ **Program participants**
  - ✓ **Grantees & sub-grantees**
  - ✓ **Mortgagees**
  - ✓ **Contractors**



# Monitoring as a Process

- ❖ **Ongoing**
  - ✓ **Continuous communication**
  - ✓ **Continuous evaluation**
  - ✓ **Quality of performance over time**
- ❖ **HUD staff responsible to be fully informed**
  - ✓ **What works, what doesn't in program implementation**
  - ✓ **Progress/Compliance status of grantees**
  - ✓ **Extent of technical assistance needed**
  - ✓ **Help grantees identify where they got off track, how to get back on**



# Who Gets Monitored?

**ALL HUD PROGRAMS ARE  
MONITORED.**

**HUD Staff must decide which  
grantees & projects will be  
monitored in any given year based  
on program monitoring policies,  
procedures & guidelines, HUD  
management plan, staff &  
resource availability, other factors**



# Who Gets Monitored?

## **Other factors:**

- ❖ **Project risk analysis**
- ❖ **Program performance evaluation policies, plans & schedules**
- ❖ **Reporting & tracking information systems**



# Risk Analysis

- ❖ **Estimate level of risk a program poses to HUD**
- ❖ **Assessment of frequency/ likelihood of risk occurrence**
- ❖ **Consideration of best method for risk management**
- ❖ **Determination of actions to be taken**
- ❖ **Track & monitor for effectiveness**



# Risk Categories

## ❖ Financial

- ✓ Account for & manage funds according to approved standards

## ❖ Physical

- ✓ Maintain & operate HUD-funded physical assets according to established standards

## ❖ Management

- ✓ Demonstrate capacity to carry out programs according to established requirements



# **Risk Categories (cont'd)**

## **❖ Satisfaction**

- ✓ Client/beneficiary expressions of satisfaction or dissatisfaction with program services**

## **❖ Services**

- ✓ Effective & efficient service delivery to intended clients/beneficiaries**



# Other Risk Criteria

- ❖ **Age of physical asset**
- ❖ **Types/mix of program activities**
- ❖ **Funding obligated and/or spent**
- ❖ **Condition of physical asset**
- ❖ **Management problems**
- ❖ **New management/key staff**
- ❖ **Program performance indicators based on available data sources**



# Other Risk Criteria

- ❖ **First-time participants or activity**
- ❖ **Time since last monitoring (on-site and remote)**
- ❖ **Office of inspector general (OIG) audits and/or investigations**
- ❖ **Local factors (economy, complaints, etc.)**
- ❖ **History of low performance rating**



# Data Sources

- ❖ **Customer surveys**
- ❖ **Electronic data systems (IDIS, LOCCS, etc.)**
- ❖ **Reports**
- ❖ **Audits**
- ❖ **Previous monitoring**
- ❖ **Other government entities**



# Data Sources

- ❖ **Internal HUD data**
  - ✓ **Consolidated plans**
  - ✓ **Analysis of impediments to fair housing choice**
  - ✓ **Real estate assessment center reports**
- ❖ **Local knowledge**



# HUD Preparation

**HUD Staff must be thoroughly familiar with the program and the participants**

- ❖ **Statutes, regulations and official guidance**
- ❖ **Reports, data, files, audits & financial information**
- ❖ **Previous monitoring issues**
- ❖ **Coordination and consultation with other HUD staff (relevant knowledge)**



# HUD Preparation

## Develop written strategy

- ❖ **Programs/areas to be reviewed**
- ❖ **Data or info to be submitted**
- ❖ **Names of participant staff members to be consulted**
- ❖ **HUD staff assigned to conduct monitoring**
- ❖ **Areas of responsibility for each HUD staff member**
- ❖ **Schedule for monitoring tasks**
- ❖ **Resources needed (travel, time, etc.)**



# Monitoring Steps

## **Written notification to participant**

### **❖ Entrance conference**

- ✓ Verify programs/activities to be monitored**
- ✓ How monitoring will be conducted**
- ✓ Identify/confirm key participant staff who will assist**
- ✓ Set up/confirm meeting/interview times**
- ✓ Set up/confirm access to files, work areas & program activity sites**



# Monitoring steps continued

## Assessment

- ❖ Interviews & file reviews
- ❖ Evaluation – 3 questions asked:
  - ✓ Is program purpose being accomplished?
  - ✓ Are beneficiaries being served as intended?
  - ✓ Are program requirements being met?
- ❖ Communication
  - ✓ Ongoing dialogue
- ❖ Documentation
  - ✓ Basis for conclusions



# Monitoring steps

- ❖ **Exit conference**
  - ✓ **Discuss preliminary conclusions, issues, objections**
- ❖ **Supervisory oversight**
  - ✓ **Supervisors may accompany HUD staff to on-site monitoring**
  - ✓ **Concurrence required on monitoring letter**



# Conclusions

- ❖ **Must be supported, defensible & fully documented**
- ❖ **Adequate or exemplary performance noted**
- ❖ **Significant achievement noted**
- ❖ **Concerns to bring to attention of participant**
- ❖ **Technical assistance needed, offered and/or provided**
- ❖ **Findings that require correction**



# Concerns

- ❖ **Includes statement of**
  - ✓ **Condition (what is wrong)**
  - ✓ **Cause (why condition occurred)**
  - ✓ **Effect (what happened as a result of condition)**
- ❖ **Suggested or recommended actions**
- ❖ **No required corrective actions**



# Findings

## Statement of

- ❖ **Condition (what was wrong)**
- ❖ **Criteria (regulatory or statutory requirement)**
- ❖ **Cause (why condition occurred)**
- ❖ **Effect (what happened as a result of condition)**
- ❖ **Required corrective action (needed to resolve the condition)**
- ❖ **Time frame for implementing corrective action**



# Due process

- ❖ **Participants have right to contest findings**
- ❖ **Participants have opportunity to demonstrate compliance**
- ❖ **Monitoring documentation is maintained by HUD**



# Monitoring letter

- ❖ **Sent to grantee within 45 days of completion of monitoring**
- ❖ **Sufficient detail to clearly describe basis for conclusions**
- ❖ **Letters sent to program administrators**
  - ✓ **Nonprofit executive director**
  - ✓ **Mayor / city manager**
  - ✓ **Housing Authority executive director**



# Monitoring letter

## Includes

- ❖ **Name of entity or program monitored**
- ❖ **Program areas/activities monitored**
- ❖ **HUD staff involved**
- ❖ **Date(s) of monitoring**
- ❖ **Conclusions**
  - ✓ **Positive & negative**
  - ✓ **Negative conclusions clearly stated as either concerns or findings**



# Monitoring letter

- ❖ **Recommended steps to resolve findings**
- ❖ **Time frame to resolve findings**
- ❖ **Opportunity for participant to contest findings**
- ❖ **Offer of technical assistance**



# Monitoring follow-up

- ❖ **Continual assessment (tracking)**
  - ✓ **Corrective actions being implemented within time frame**
  - ✓ **Deficiencies being corrected**
  - ✓ **Performance maintained or improved**
  - ✓ **Communication sustained**
- ❖ **All follow-up is documented**
- ❖ **All notification by participant of implemented corrective action is reviewed within 15 working days.**



# Monitoring exhibits

- ❖ **Forms & info maintained as files (documentation)**
  - ✓ **Summary form**
  - ✓ **Evaluation questionnaire**
  - ✓ **Reviewer notes**
  - ✓ **Correspondence**
  - ✓ **Data**
- ❖ **Submitted as requested/ required for quality assurance review (of HUD by QA team)**



# **Monitoring quality assurance review**

- ❖ **This does not target grantees, it is a review of HUD's monitoring process.**
- ❖ **Reviews HUD Field Office process and is handled by HQ or other staff organizationally independent from field office**
- ❖ **Purpose is to develop standardized format to review the monitoring process, documentation and results**



# **Monitoring quality assurance review**

- ❖ Completed at least annually**
- ❖ Uses sampling techniques**
- ❖ Assesses management & staffing capacity of Field Office**
- ❖ Considers size & complexity of monitored programs**
- ❖ Reported to Office of Chief Financial Officer**